

Administrator's Recommended Budget



Town of Moultonborough, NH
Fiscal Year 2013

**TOWN OF MOULTONBOROUGH
FY 2013 BUDGET**

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MEMORANDUM – OFFICE OF THE TOWN ADMINISTRATOR

TO: Board of Selectmen
FROM: Carter Terenzini, Town Administrator
RE: FY 2013 Budget Transmittal
DATE: November 16, 2012
CC: Advisory Budget Committee

Carter



Enclosed is my recommended budget, legislative and administrative program for FY 2013. It was prepared under your guidance to deliver a "Level Services" budget.

First - The Numbers:

Contained within your budget book is our annual "Build To" analysis (Page 3). This puts our recommendations for FY 2013 on a "head to head" footing with its FY 2012 equivalent. You will see that the proposed Operating and Capital tax levy budget is up some \$67,000 or .56% on an unadjusted basis. After adjusting the accounting change on the COBRA and Retiree insurance and Phase 2 of the Recreation Revolving Fund transition the tax levy budget is up 1.5%. On an adjusted basis the budget is up 1.7%. The net amount to be raised by taxes is an increase of roughly \$47,000 or some .65%. Were it not for a loss of revenue from the state (\$28.5k) and VNS (\$70k) we would actually be raising less money from taxes in FY 2013 than FY 2012.

The bottom line is a recommended FY 2013 tax levy budget of \$9,462,314.

Next – The Number Drivers:

We had several major cost drivers within the operating budget this year. They are:

- Reserve for a 2.0% COLA (+\$60,000)
- NH Retirement System (+\$15,000)
- Health Insurance (+\$35,000)
- Reclassifications (+\$15,000)
- Step Increases (+\$30,000)
- Revaluation (+\$110,000)

The capital budget was increased at 4.51% or slightly less than our planned 5% cap.

- Capital Outlays and Contributions (+\$65,000)

Offsetting those increases was a lack of inflationary pressures upon many of our contracts. We also had some modest switches within vendors such as software that will change our Vision on line presence to one more user friendly and save us \$4,000 annually. I was also a bit more

aggressive this year in my use of Lump Sum Disallowed recommendations with a total of approximately \$37,000 for these or some \$29,000+/- more than last year. As discussed in a recent workshop, our current annual return to fund balance is a bit higher than I would normally anticipate. I believe that over time we can reduce that. Our major savings or offsets were:

- Recreation Revolving Fund Transition: Phase 2 (-\$15,000)
- Discontinuance of Prosecutor's Position (-\$75,000)
- CRF Withdrawal for Revaluation (-\$110,000)
- Visiting Nurse Service (-\$32,500)
- Human Services (-\$17,500)
- Elections (-\$15,000)

Safety Valves & Needs:

We have no major safety valves for added savings in FY 2013, beyond those proposed herein, other than a more rapid transition of the Recreation budget from being supported by the tax levy to it being supported from the Recreation Revolving Fund. This would cause an immediate drawdown of the accumulated balance and a more rapid increase in their fee schedule than that which has been planned.

Fortunately, looking forward to FY 2014, the discontinuance of the BC2T employee insurance program will trigger about \$25,000 in operating savings in that year.

On the capital side, savings would require cuts in our investments which we have only this year settled on a strategy for increasing. We caution against any such cuts as these short term solutions generally tend to have long term and negative consequences.

Should any additional savings or revenues be identified I would recommend that you put them into one time capital expenditures or contributions to reserves.

Finally:

With that as background, the staff and I look forward to answering your questions and preparing for Town Meeting.

**FY 2013 Build to Analysis
Target was "Level Services" Budget**

	FY 2012	FY2013
Operating Budget (w/FireTruck Lease)	\$8,042,036	\$8,109,264
Police CBA (FY '12 Art. 10)	\$19,720	-
Roads (FY '12 - Art. 16) (1)	\$600,000	\$635,000
Capital Outlay (FY '12 - Art. 17) (2)	\$175,000	\$143,000
Capital Reserves (FY '12 - Art. 18)	\$342,650	\$337,800
Maintenance Reserves (FY '12 - Art. 19)	\$248,000	\$245,500
Red Hill Fire Tower (FY '12 - Art. 20)	\$5,000	-
Site Assessment - Ph 1 @ Pre-1981 Landfill	-	\$15,000
Total	\$9,432,406	\$9,485,564
Increase	0.56% (3)	

Notes:

- (1) Net after \$140k NH/DOT Block Grant
- (2) Net after \$115k withdrawal from reserves & application of \$100k of fund balance
- (3) Net Increase of 1.4 % after revenue and accounting adjustments.
- (4) The Library is outside of the influence of TA and Staff and therefore not incorporated within this budget.
- (5) The School, Carroll County, and various petitioned warrant articles beyond our control are not included.